

5/023/072



United States Department of the Interior

BUREAU OF LAND MANAGEMENT FILLMORE FIELD OFFICE

35 East 500 North
Fillmore, UT 84631



In Reply Refer to:
3800
(U-010)
UTU-078296

July 31, 2002

CERTIFIED MAIL #7000 1530 0006 2417 0587
RETURN RECEIPT REQUESTED

LOY CRAPO
350 EAST 300 SOUTH
PO BOX 1113
DELTA UT 84624

Dear Mr. Crapo:

Thank you for submitting your Plan of Operation for your Drum Slate Project, T. 14 S., R. 10 W., Section 27.

This letter is to inform you that the initial review of your Plan of Operation has found that the Plan does not contain a complete description of the proposed operations under 3809.401 (b). The information that will be needed to complete the review of the Plan of Operation is as follows:

1.) Description of Operations: A description of the equipment, devices, or practices that will be used during operations. include:

- A map, at an appropriate scale, of the project area showing the location of mining activity, waste rock and tailings stockpile areas, and access routes.
- Preliminary designs, cross-sections, and operating plans for mining areas, and waste rock and tailings stockpile areas.
- Water management plans.
- Plans for access roads.

2.) Reclamation Plan: A plan for reclamation with a description of the equipment, devices, or practices proposed including, mine reclamation, re-grading and re-shaping, and re-vegetation. The reclamation plan should include details of economic, environmental, and safety factors.

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- 3.) Interim Management Plan: A plan to manage the project area during periods of temporary closure that includes:
- Measures to stabilize excavations and workings.
 - Provisions for the storage or removal of equipment, supplies, and structures.
 - Measures to maintain the project in a safe and clean condition.
 - Plans for monitoring site conditions during periods of non-operation.
 - A schedule of anticipated periods of temporary closure during which the interim management plan would be implemented.
 - Provisions for notifying BLM of un-planned or extended temporary closures.
- 4.) The reclamation cost estimate is inadequate to cover any further work at the site. Once an adequate mine and reclamation plan are formulated an appropriate reclamation cost estimate can be determined.

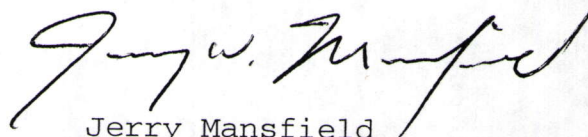
The Plan received by our office contains several discrepancies that may be cleared up by a more detailed plan containing the information listed above. The plan mentions a 400' cut made to access the slate. The map included with the plan indicates a cut of over 2000' would be necessary. The submitted plan says that the tailings will be placed over the edge below the slate layer. This would result in the tailings being dispersed to the bottom of the slope; thus, significantly increasing the area that would be in need of reclamation at the end of the project.

A note giving reasons for finding the stone locatable rather than saleable was also included with the submitted Plan of Operation. A 1969 case, McClarty vs. U.S. set the standard for determining common versus un-common variety with three criteria. The criteria are that the deposit in question must be compared to common mineral materials in the region or the market area; the deposit in question must have a unique quality; and that unique quality must give the deposit a distinct value. The information submitted is insufficient to determine whether the deposit is common or un-common. According to decisions by the Interior Board of Land Appeals (IBLA), color, texture, size of deposit, uniformity of the deposit, thickness, hardness, resistance to weathering, trade-name status, nor location, have been found to give deposits a unique quality that would allow them to be considered un-common.

Please arrange a meeting at the site with Larry Garahana or myself. We are available to meet with you to clarify the points

in this letter. Otherwise, if you have any questions, please feel free to contact us at (435) 743-3126 and (435) 743-3125, respectively.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jerry W. Mansfield". The signature is fluid and cursive, with the first name "Jerry" and last name "Mansfield" clearly distinguishable.

Jerry Mansfield
Geologist

cc: D. Wayne Hedberg, UDOGM (S/023/033)